

UNIT  
SECURITIES AND  
Washington, D.C.



**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

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SECTION

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 1/01/03 AND ENDING 12/31/03  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Royal Alliance Associates, Inc.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

733 Third Avenue, 3rd Floor, Room 3-C

(No. and Street)

New York

New York

10017

(City)

(State)

(Zip Code)

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FIRM I.D. NO.

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
Steven E. Rothstein (770) 858-6841  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Pricewaterhouse Coopers

(Name - if individual, state last, first, middle name)

10 Tenth, Suite 1400

Atlanta

Georgia

30303

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

☒ Certified Public Accountant

☐ Public Accountant

☐ Accountant not resident in United States or any of its possessions.

PROCESSED

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\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

UM

**OATH OR AFFIRMATION**

Steven E. Rothstein, swear (or affirm) that, to the best of  
knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of  
Royal Alliance Associates, Inc., as


December 31, 2003, are true and correct. I further swear (or affirm) that  
either the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account  
classified solely as that of a customer, except as follows:

N/A

  
Signature

Chief Financial Officer  
Title

Judith R. Embry  
Notary Public  
Cobb County GA  
June 17, 2006

  
Notary Public

is report \*\* contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- (o) Independent Auditors Report on Internal Control

For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

# Royal Alliance Associates, Inc.

An indirectly wholly owned subsidiary of American International Group, Inc.

## Statement of Financial Condition

December 31, 2003

*(in thousands of dollars, except share amounts)*

### Assets

Cash and cash equivalents	\$	16,959
Cash segregated under federal and other regulations		13
Receivables from investment advisors		4,460
Receivables from broker-dealers and clearing organizations		18,854
Securities owned, at market value		2,217
Securities pledged to insurance company, at market value		1,571
Notes and accounts receivable from registered representatives		9,429
Note receivable		279
Furniture, equipment, leasehold improvements and software, at cost, less accumulated depreciation and amortization of \$9,460		2,445
Prepaid expenses and other assets		3,023
Goodwill		8,586
Intangible assets, less accumulated amortization of \$354		644
Deferred taxes		16,433
Total assets	\$	<u>84,913</u>

### Liabilities and Stockholder's Equity

Commissions payable	\$	14,601
Securities sold, not yet purchased, at market value		202
Payables to affiliates, net		1,059
Accounts payable and accrued expenses		2,331
Income taxes payable to Parent		6,388
Other liabilities		3,077
Total liabilities		<u>27,658</u>

Commitments and contingencies (Note 10)

### Stockholder's equity

Common stock - \$.10 par value; 1,500,000 shares authorized; 100,000 shares issued and outstanding		10
Additional paid in capital		10,001
Retained earnings		47,244
Total stockholder's equity		<u>57,255</u>
Total liabilities and stockholder's equity	\$	<u>84,913</u>

The accompanying notes are an integral part of these financial statements.